Prescribes a procedure for the monthly reconciliation of Departmental Figures of Expenditure with those of the Audit Office.

READ—

Correspondence ending with letter No. 202/A/T.M., dated the 28th January 1952, from the Accountant-General, Mysore, Bangalore, in the matter of laying down a procedure for the monthly reconciliation of the departmental figures of expenditure with those of the Audit Office to enable the Heads of Departments to control expenditure against grants and appropriations, effectively.

ORDER NO. FL.(B) 2508-87—BUD. 8-52-2, DATED BANGALORE, THE 17TH JUNE 1952.

The question of laying down a suitable procedure for departmental control of expenditure and for the systematic verification of departmental figures of expenditure with those of the Accountant-General's Office has been engaging the attention of Government for some time past. Such a measure has now become increasingly important and even obligatory since the responsibility for watching the progress of expenditure against a grant or appropriation devolves entirely on the executive and Article 267 (2) of the Constitution does not permit expenditure in excess of grants or appropriations except under the rules governing the Contingency Fund.

The detailed rules to be followed hereafter which are printed as an Annexure to this order, will have effect from the 1st April 1952.

The salary bills of Gazetted Officers (other than Heads of Departments) and establishment bills of institutions, like schools, dispensaries in which the salaries of the respective heads of offices are also included, will not be encashed at the Treasuries on and after 1st September 1952 unless supported by a certificate in the following form :—

"I certify that an extract of the expenditure account due from me for the previous month under Government Order No. Fl. (B) 2508-87—Bud. 8-52-2, dated the 17th June 1952, was forwarded to my superior officer in my Memo No..... , dated ....."

Note.—1. This will not apply to supplemental Salary or Establishment bills and bills of the Departments of the Central Government.

2. The certificate to be furnished on 1st September 1952 should read "Previous months" for "Previous month" as the first extract should show the expenditure incurred from April 1952 to July 1952.

The Director, Government Printing, is requested to print the Registers in Forms A and B appended to this order very early and supply them to all disbursing and controlling officers on indent.

The Heads of Departments are designated as Chief Controlling Officers for the exercise of the functions mentioned in these rules. The officers subordinate to them who can function as subordinate Controlling Officers will be fixed by them and reported to Government for information within a fortnight. Officers including Chief Controlling Officers, both Gazetted and Non-Gazetted, who draw the salary of their establishments are treated as disbursing officers for the purpose of these rules.

These rules will be incorporated in the Budget Manual.

M. SHAMANNA,
Secretary to Government,
Finance Department.

ANNEXURE.

All Departmental Officers will be brought under three classes, *viz.*—

1. Chief Controlling Officer,
2. Subordinate Controlling Officer,
3. Disbursing Officer.

The Heads of Departments or other officers who submit their Budget Estimates direct to Government will be designated as the Chief Controlling Officers. An intermediate controlling officer, immediately subordinate to the Chief Controlling Officer will function as Subordinate Controlling

Officer. A Government Officer, who draws money from the Treasury on bills (except a Gazetted Officer who is not the head of an office and who draws only his own pay and travelling allowances from the Treasury) will be called a Disbursing Officer.

NOTE.—Chief Controlling and Subordinate Controlling Officers are also Disbursing Officers in respect of disbursements in their own offices.

2. A Chief Controlling Officer has to see that the expenditure under each unit of appropriation is kept within the grant or appropriation fixed therefor in the Appropriation Act and that if expenditure beyond that limit is essential, steps are taken in time to obtain the necessary additional allotments. He must, therefore, keep a constant watch over the progress of expenditure and also know what liabilities have been incurred but not paid. He may either keep the grant or appropriation in his own hands and watch the actual expenditure thereagainst for the department as a whole or distribute the grant or appropriation among his Subordinate Controlling Officers each of whom may in turn distribute the grant or appropriation at his disposal among the Disbursing Officers subordinate to him and make each such officer responsible for watching expenditure against the grant or appropriation allotted to him. In the former case, the Chief Controlling Officer is wholly responsible for watching the expenditure against the grant or appropriation, whilst in the latter case, he shares this responsibility with his subordinate officers.

3. As a general rule, expenditure based on sanctioned scales, *e.g.*, pay of permanent establishments, should be watched for the Department as a whole. Where however the charges are fluctuating in nature, *e.g.*, Travelling Allowances—(other than Fixed Travelling Allowances) and non-recurring Contingencies, it is better to distribute the allotments among the Disbursing Officers. Subject to the above limitations, the Chief Controlling Officer has full discretion to decide in each case whether he will retain the grants or appropriations in his own hands or distribute it among his subordinate officers. When grants of appropriations are distributed, it is desirable for the Chief Controlling Officer to retain in his own hands a small sum from which he can sanction additional amounts asked for by Subordinate Controlling Officers when necessary and each Subordinate Controlling Officer should similarly retain a small sum in his own hands so that he may sanction, when necessary, small additional amounts asked for by the Disbursing Officers, subordinate to him.

4. Every Chief Controlling Officer should watch the progress of expenditure continuously and for this purpose, he should require the Disbursing Officers to report every month the figures of actual expenditure during the previous month and the liabilities incurred but not yet paid. Each Disbursing Officer should therefore maintain a Register in Form 'A' appended to this order, of disbursements and liabilities. As soon as a bill is cashed at the Treasury or a pre-audit cheque received, it should be posted in the appropriate columns of the Register mentioning the Treasury, District, or account in which payment will appear. In the case of pay and allowances of Village Establishments, Cattle Pound Charges and loans disbursed under the Land Improvement Loans and Agriculturists Loans Acts, it is sufficient to copy the monthly totals from the records maintained by the Disbursing Officers. The adjustments, if any, made by the Accountant-General should be entered on receipt of intimation.

Every Disbursing Officer, who draws bills on a Treasury should soon after the close of each month get his figures of drawals from the Treasury during the previous month reconciled with those of the Treasury with which he transacts and send to the Controlling Officer immediately superior to him an extract of his account for the month in Form 'A' omitting details of bills against serial No. IV.

The above rules do not apply in their entirety to expenditure drawn on cheques by Departmental Officers rendering compiled accounts thereof to the Accountant-General. In respect of such expenditure, monthly totals only will be taken to the Register in Form 'A' after the compiled accounts are despatched to the Accountant-General.

5. The Subordinate Controlling Officer should consolidate in Form 'B' the figures of his own register of expenditure (Form A) and the figures contained in the extracts of accounts received from the Disbursing Officers subordinate to him. The disbursements appertaining to each sub-head or detailed account head should be grouped by districts. When the Subordinate Controlling Officer is stationed at the headquarters of a District and his jurisdiction is co-extensive with that of the treasury District in which he is located, he should also get the figures in Form 'B' verified with those found in the District Treasury and then forward an extract thereof to the Chief Controlling Officer. The extract need furnish only the totals against each serial number except serial number VI and IX which should be omitted.

6. Unless exempted specifically in each case for reasons of impracticability or other grounds, all Disbursing and Subordinate Controlling Officers are required to reconcile their figures with those in the Treasury before they forward their statements to their superior officers. They should see that the reconciliation work is completed not later than the 15th of the following month and the extract statements in Forms A and B forwarded to the superior officers not later than the 20th of the following month. To ensure that this important work is not lost sight of, all Disbursing and Subordinate Controlling Officers should furnish a Certificate in the following form in their monthly salary bills presented for payment on and after 1st September 1952 :—

> "I certify that an extract of the expenditure account due from me for the previous month under Government Order No. Fl. (B) 2508-87,—Bud. 8-52-2, dated the 17th June 1952, was forwarded to my superior officer in my Memo No....., dated....."

Gazetted Officers, other than the Chief Controlling Officers, who are not Disbursing Officers should also furnish this certificate as information of the amounts drawn by them is required by the Disbursing Officers who keep an account of the expenditure covered by such bills. Where the salaries of the Disbursing Officers are drawn along with those of their establishments the certificate will be furnished in the Establishment bill itself.

Salary bills and establishment bills of the kind referred to which do not furnish the above certificate or furnish a modified certificate will not be encashed at the Treasuries or admitted in audit on and after 1st September 1952, without the specific orders of the officers immediately superior to them.

7. The Chief Controlling Officer should consolidate in Form 'B' the totals of his own expenditure (Form A) and those shown in the extracts from the registers of Subordinate Controlling Officers, in the manner prescribed for Subordinate Controlling Officers. He should send a clerk of his office to the Accountant-General's Office with the departmental registers every month on a date fixed by the Accountant-General. The clerk should with the assistance of the Accountant-General's staff compare the departmental figures with those recorded in the Accountant-General's books. A statement of discrepancies will be prepared in duplicate and analysed in two columns, one showing the adjustments to be made in the Accountant-General's books and the other showing the adjustments to be made by the Chief Controlling Officer. The Accountant-General's Office will keep one copy of it and the other will be taken by the clerk for the use of the Department. The Chief Controlling Officer after effecting necessary adjustments should inform the Accountant-General that this has been done. The Accountant-General will likewise make necessary adjustments in his books and inform the Chief Controlling Officer to that effect. The latter should then send a certificate to the Accountant-General stating that the figures in his registers have been reconciled with those of the Accountant-General.

8. The Accountant-General will inform a Chief Controlling Officer of all expenditure for which the latter is responsible and which has been adjusted in the accounts by him (the Accountant-General) as in the case of inter-departmental adjustments, inter-Governmental adjustments or expenditure in England. The Chief Controlling Officer will enter the adjustments directly in his own account in Form A or will communicate them to his subordinate officers for entry in their accounts, according as the charge is one for which he has retained the appropriation or one for which he has distributed the appropriation to his subordinate officers. Care should be taken to avoid double entries in respect of adjustments.

FORM A.

Disbursing Officers' Register of Expenditure for the month of..... .....195 .

Designation of Disbursing Officer.....

Grant No. ....

Major Head..... .... (Sub-Major Head.....) Minor Head..... (Sub-Minor Head.....)

No.	Subject	Pay of Officers	Pay of Estt.	T.A. to Estt.	T.A. to Officers	T.A. Fixed			Contingencies				Total	Other charges				Total	Grand Total
II	Appropriation, Grant or allotment ...																		
III	Expenditure to end of preceding month ...																		
IV	Disbursements during the months ...																		
	Particulars / Date of pre-audit cheque or encashment of bill.																		
V	Total disbursements of the month ...																		
VI	Adjustments intimated by Accountant-General.																		
VII	Progressive total of expenditure including adjustment.																		
VIII	Liabilities.—																		
	(*a*) Balance brought forward ...																		
	(*b*) New liabilities of the month ...																		
	(*c*) Deduct—discharges of the month																		
IX	Balance of liabilities																		
X	Total progressive expenditure *plus* liabilities (VII *plus* IX).																		

INSTRUCTIONS.

1. As many columns as are required should be opened for the various detailed heads under each minor head or sub-head if necessary sub-dividing detailed heads such as "contingencies" and "other charges" for further details. There should be separate columns for showing the total figures under each sub-head and minor head.

2. There should be a separate register for each grant head or if only a single register is maintained, there should be separate pages for each grant head.

3. If no separate appropriation has been communicated to an officer for a particular head, no allotment need be entered for the head, but there should be a column with the appropriate heading so that the expenditure may be properly classified.

4. Any increase or decrease in the original allotment sanctioned by the competent authority should be entered in red ink below the original figure by means of *plus* or *minus* figures.

5. A Disbursing Officer transacting with a Taluk Treasury should close the accounts for each month by the 25th evening which is the date of closing of the Treasury transactions for the month. In the month of March all the transactions of the month should be entered up to and including the last day of the month.

6. Disbursing Officer should include in his register the pay and allowances of Gazetted Officers subordinate to him who are not heads of offices and who draw from the Treasury only their own pay and allowances.

7. The figures to be entered against serial number III of the monthly account will be those shown against serial number [illegible] month's accounts.

FORM E.

Subordinate or Chief Controlling Officers' Consolidated Register of Expenditure for the month of.....195 .

Designation of Subordinate or Chief Controlling Officer.....

Grant No.....

Major Head..... ..... (Sub-Major Head)..... Minor Head..... ..... (Sub-Minor Head.....)

No.	Subject	Pay of Officers	Pay of Estt.	T. A. to Estt.	T. A. to Officers	T. A. Fixed			Contingencies				Total	Other Charges				Total	Grand Total
II	Appropriation, grant or allotment ...																		
III	Expenditure to end of preceding month ...																		
IV	Disbursement during the month ...																		
	Accounts of—																		
	Self																		
	X																		
	Y																		
	Z																		
V	Total disbursements of the month ...																		
VI	Adjustments intimated by Accountant-General.																		
	Self as Disbursing Officer ...																		
	Subordinate Officer X ...																		
	Do Y ...																		
	Do Z ...																		
VII	Total adjustments																		
VIII	Progressive total of expenditure including adjustments.																		
IX	Liabilities—																		
	Self as Disbursing Officer ...																		
	Officer X																		
	Do Y																		
	Do Z																		
X	Total Liabilities																		
XI	Total progressive Expenditure *plus* liabilities (VIII *plus* X).																		

INSTRUCTIONS.

1. As many columns as are required should be opened for the various detailed heads under each minor head or sub-head if necessary sub-dividing detailed heads such as "contingencies" and "other charges" for further details. There should be separate columns for showing the total figures under each sub-head and minor head.

2. There should be a separate register for each grant head or if only a single register is maintained, there should be separate pages for each grant head.

3. If no separate appropriation has been communicated to an officer for a particular head,

4. Any increase or decrease in the original allotment sanctioned by the competent authority should be entered in red ink below the original figure by means of *plus* or *minus* figures.

5. Disbursing Officer should close the accounts for each month in accordance with the date of closing of the Treasury with which he has to deal. In the month of March all the transactions of the month should be entered up to and including the last day of the month.

6. Disbursing Officer should include in his register the pay and allowances of Gazetted Officers subordinate to him who are not heads of offices and who draw from the Treasury only their own pay and allowances.